

#### Investment Objective

The Fund aims to achieve long-term capital growth by investing in a diversified portfolio of equity and fixed income securities. The Fund aims to provide excess return over the composite benchmark, 50% Philippine Stock Exchange index (PSEI) and 50% return of the 91-day Philippine Treasury Bill, net of tax.

#### Figures as of 5/31/2013

##### Cumulative Performance (%)<sup>1</sup>

	1 mo	1YR	3YRS	5YRS	S.I. <sup>3</sup>
Fund	0.09	22.69	66.67	87.59	141.26
Benchmark <sup>2</sup>	-0.34	19.41	59.63	80.73	141.22

##### Annualized Performance (%)<sup>1</sup>

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>3</sup>
Fund	22.69	16.37	18.56	18.48	13.41	11.39
Benchmark <sup>2</sup>	19.41	15.71	16.87	19.06	12.57	11.39

##### Calendar Year Performance (%)<sup>1</sup>

	YTD	2012	2011	2010	2009	2008
Fund	14.29	16.08	-0.72	37.39	20.27	-26.80
Benchmark <sup>2</sup>	10.44	17.13	2.81	20.41	33.32	-22.30

<sup>1</sup> Returns are net of fees. Past performance is not an indication of future returns.

<sup>2</sup> The Benchmark of the fund is 50% PSEI / 50% 91-day Philippine Treasury Bill. Prior to 2009, the Benchmark was 50% PSEI/50% 1-Year Philippine Treasury bill.

<sup>3</sup> Since Inception

#### Key Figures and Statistics

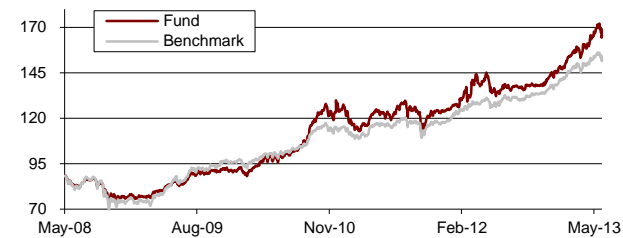
Net Asset Value per Unit (NAVPU)	PHP	165.55
Total Fund NAV (Mn)	PHP	3,320.62
Average Daily NAV for the Quarter (Mn) <sup>4</sup>	PHP	2,279.20
Current Number of Holdings		31
Information Ratio <sup>5</sup>		0.70
Sharpe Ratio <sup>5</sup>		2.24

Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (net)	13.41%	12.57%
Annualized Volatility (%)	12.20%	10.93%
Portfolio beta	1.10	

#### General Information

Launch Date	April 4, 2005	
Fund Structure	Unit Investment Trust Fund	
Fund Classification	Balanced Fund	
Fund Currency	Philippine Peso	
Minimum Initial Investment	PHP	10,000.00
Minimum Transaction	PHP	1,000.00
Minimum Holding Period	None	
Management/Trust Fee <sup>6</sup>	1.50% per annum / 0.37% per quarter	
Custodianship Fees <sup>6</sup>	0.005% per quarter	
External Audit Fees <sup>7</sup>	0.01%	
Valuation Methodology	Marked-to-Market	
External Auditor	Isla Lipana & Co.	
Available Through	BPI Branches www.bpiexpressonline.com	
Trustee	Bank of the Philippine Islands	
Third Party Custodian	HSBC, Ltd. (Philippines)	
Dealing Cut-Off	2:30 PM	

#### NAVPU Graph



#### Allocation

Portfolio Composition: Equities 72.86%, Fixed Income 13.81%, Cash and Other Receivables 13.33%

#### Top Equity Holdings

Name	Main Business	% of Fund
Ayala Land, Inc.	Property	8.09%
SM Investments Corporation	Holding Firms	7.17%
Ayala Corporation	Holding Firms	7.02%
Philippine Long Distance Tel. Company	Telecommunications	6.53%
Metropolitan Bank & Trust Company	Financials	4.71%

#### Top Bond Holdings

Name	Yield <sup>8</sup>	Maturity	% of Fund
Fixed Rate Treasury Notes 5.0000%	1.80%	08/18/2018	6.06%
Fixed Rate Treasury Notes 4.7500%	2.15%	07/19/2019	2.96%
Fixed Rate Treasury Notes 3.8800%	2.27%	11/22/2019	2.91%
Fixed Rate Treasury Notes 5.9100%	1.81%	01/31/2018	1.88%

#### Sector Holdings (Equity Portion)

Holding Firms	25.03%
Property	15.35%
Financials	13.24%
Telecommunications	6.53%
Industrials	5.01%
Food	4.34%
Transportation	2.62%
Mining	0.75%

Any prospective investment shall be limited to the type of investments described in the Declaration of Trust for the Fund.

#### Risk Disclosure

The Fund is suitable for investors with an aggressive risk profile or for those who have medium- to long-term views. Prior to investment in the Fund, the investor shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience. As a marked-to-market UITF, the Fund's net asset value and total return may fluctuate as a result of movements in stock prices and interest rates. On redemption of units, an investor may receive an amount less than the original amount of investment. Liquidity risk also needs to be taken into account.

<sup>4</sup> Average daily NAV for the past three months.

<sup>5</sup> The Information Ratio evaluates reward-to-risk efficiency relative to the benchmark, while the Sharpe Ratio evaluates reward-to-risk efficiency relative to the risk free rate. The higher the number, the higher the reward per unit of risk. Sharpe and Information Ratios between funds of different classifications are non-comparable.

<sup>6</sup> Trust fees/custodianship fees as a percentage of average daily NAV for the quarter.

<sup>7</sup> External Audit fees as a percentage of the end-year NAV.

<sup>8</sup> Net of tax.

\* Plan rules are available upon request.

#### Manager's Report

**Local Market Review:** The PSEI broke its eight month winning streak after falling 0.7% in May to close at 7,021.95. The sell down came in as high valuations coupled with chatter about a tapering of the Fed's QE program triggered foreign outflows. Fundamentally, the Philippine story remains positive with 1Q2013 GDP growth at an impressive 7.8% YoY (vs. 5.9% consensus). This expansion was largely derived from robust consumer (+5.1% YoY) and government (+13.2% YoY) spending as well as staggering growth in capital formation (+47.7% YoY). Corporate earnings have also come in healthy with most companies in-line or above analyst estimates.

As expected, consumer names outperformed this month as JFC (+5.7%), and URC (+5.6%) reported strong domestic earnings, boosted by election spending. MPI also outperformed 3.3% surging after it was added to the MSCI Index. Underperformers for the period were SMC (-24%), RLC (-14.8%), and MEG (-11.6%) which were sold down by passive funds after being removed from the MSCI small cap index.

**Fund Performance:** The Fund advanced by 0.09% during the month against its benchmark's 0.34% decline.

**Strategy:** We remain confident of our 7,500-7,700 year-end target given the country's strong fundamentals and maintain our overweight calls on banks, property, and holding companies.

